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C O N F I D E N T I A L SECTION 01 OF 02 BEIRUT 000887

SIPDIS

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OVP FOR HMUSTAFA

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TAGS: PREL PGOV PINR PTER MARR MOPS LE SY

SUBJECT: WILL HARIRI HEAD A MAJORITY GOVERNMENT?

REF: BEIRUT 874

Classified By: Ambassador Michele J. Sison for reasons 1.4
(b) and (d).

SUMMARY

¶1. (C) Despite Progressive Socialist Party (PSP) leader Walid Jumblatt's August 5 comments pledging he would stand by Saad Hariri in the government formation process, Hariri will not in the end head a majority government, predicted caretaker Ministers Mohammed Chatah (Finance) and Ziad Baroud (Interior) and former Hariri confidant Ghattas Khoury. Chatah characterized Progressive Socialist Party (PSP) leader Walid Jumblatt's perceived defection as the second biggest strategic loss suffered by March 14 after Free Patriotic Movement (FPM) leader Michel Aoun's split with the alliance in 2005. Chatah and Baroud warned of Lebanon's current tense climate, with the latter concerned the country could not meet future challenges if it continued to adopt the same short-sighted policies. Both Chatah and Baroud expressed appreciation for USG support to Lebanon. End summary.

HARIRI'S MINISTERS
DWINDLE TO TWELVE

¶2. (C) Despite Progressive Socialist Party (PSP) leader Walid Jumblatt's loudly-stated insistence that he is neither leaving the March 14 Coalition nor obstructing government formation, Prime Minister-designate Saad Hariri will not head a majority government, predicted both caretaker Finance Minister Mohammed Chatah and caretaker Interior Minister Ziad Baroud, who met separately with the Ambassador and PolOff August 6. Former Hariri confidant Ghattas Khoury echoed a similar sentiment in a meeting with PolChief. Although the 15-10-5 formula (majority-opposition-presidential bloc) is still being discussed, Hariri is likely to control only 12 ministers, Chatah, Baroud, and Khoury agreed. Khoury believes that the three Druze ministers will vote with Hezbollah on all issues related to the group's concerns and the Special Tribunal for Lebanon (STL).

¶3. (C) Chatah believes that not only is Hariri going to lead a minority in the cabinet but also fears the tumult of the

past week has turned the Prime Minister-designate's June 2009 electoral victory into a defeat. Baroud said the big question would be whether or not PSP leader Walid Jumblatt's three Druze ministers joined President Michel Sleiman's bloc or the opposition. He noted the cold comfort that Hizballah and its allies had failed to gain a blocking minority, and he was appreciative that at least Jumblatt had switched sides before the cabinet ministers had been chosen.

JUMBLATT FAILS
TO SURPRISE

¶ 14. (C) When the Ambassador queried Chatah about Jumblatt's recent comments about the March 14 Coalition and the ensuing scuffle (reftel), Chatah maintained that he had anticipated Jumblatt's actions. Chatah observed that Jumblatt had reverted to his 2004 position with his recent comments. "He's gone back to the warmth of his old cage," he quipped. Chatah characterized Jumblatt's perceived defection as the second major strategic loss suffered by the March 14 Coalition after FPM leader Michel Aoun split from the alliance in 2005. Chatah insisted that the majority of Lebanese still endorsed March 14's objectives.

¶ 15. (C) Khoury, who had spoken to Jumblatt the previous evening, assessed that the Druze leader's obsessive fear of the impact of the STL's proceedings as an "overreaction," but one reinforced by Jumblatt's fear of a roader Sunni-Shia conflict. Jumblatt remained dstrustful of the USG after his May 7, 2008 brinksmanship was not reinforced by the U.S.,

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Khoury asserted, so Jumblatt is casting about for other foreign alliances. His desire to be included as part of any U.S.-Syria deal is evidence of that. Jumblatt "intended to hint" at his gradual move to an independent political position in his controversial comments, but "Saad got angry and kicked him straight out of March 14." Now Hariri must "handle" Jumblatt in order to moderate his future misbehavior. However, despite Hariri's troubles with Jumblatt, a period of regional stability over the next few years will open the way for Hariri to achieve tangible improvements in Lebanon, Khoury declared.

STABILITY REMAINS
A CONSTANT CONCERN

¶ 16. (C) Chatah warned the current situation in Lebanon is tense and unstable, and he did not rule out the possibility that another war could consume the country. Baroud echoed Chatah's assessment of the current climate, and he cautioned that Lebanon would be unable to face future challenges if it continued to adopt short-sighted policies. Baroud characterized last month's incident in Kherbit Selim as a "disaster" and warned the situation could deteriorate quickly.

USG SUPPORT WELCOME,
BUT KEEP IT QUIET

¶ 17. (C) Baroud expressed to the Ambassador his appreciation for USG assistance through the International Foundation for Electoral Systems for preparations for the 2010 municipal elections, and Chatah for his part commented that, at present, USG support should be from the sidelines. "Too close of an embrace becomes a burden," he observed. According to both Baroud and Chatah, there are several urgent problems the next government must confront, including decentralization and municipal reform. Chatah said that although many of Hariri's advisers supported decentralization, the Prime Minister-designate had not yet formed an opinion and he will be able to bring a fresh perspective to the issue.

COMMENT

¶8. (C) While almost none of our interlocutors were surprised by Jumblatt's actions over the past week, the realization is growing that the Prime Minister-designate faces a very difficult road ahead. Both Chatah and Baroud seemed convinced that government formation will proceed despite Jumblatt's stance and Hariri's trip to the South of France. Across the board, the Lebanese political class is obsessed by chatter of a coming conflagration, either internal or regional, that will consume Lebanon. Jumblatt's destabilization of the status quo has only exacerbated those fears, especially among those who buy into his persona as a strategic seer. End comment.

SISON